

PROPERTY OF
PRINCETON UNIVERSITY LIBRARY
RECEIVED MAY 9 1932

The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

VOLUME I, NUMBER 34

WASHINGTON, D. C.

MAY 11, 1932

NEW PLEAS MADE FOR SOVIET RECOGNITION

Advocates of Change in Government Policy Say Russian Trade Would Increase

LEADERS' VIEWS GIVE IMPETUS

But State Department Gives no Signs of Yielding to Demands

In the fifteen years which have elapsed since a small group of Communists seized control of Russia, there has been constant agitation in this country over the issue of Soviet recognition. Our government has been repeatedly urged formally to recognize and to establish diplomatic relations with the Soviet government. It is true that such demands have been voiced by a decided minority. This minority, composed mainly of a few Congressmen, among whom Senator William E. Borah of Idaho is outstanding, and a number of American citizens, has persistently and vigorously pressed its case.

The deepening of the depression and the decline in our foreign trade with Russia and other nations have given added weight to the arguments of those in favor of Soviet recognition and have converted many to their cause. In recent months the movement for recognition has increased perceptibly in strength. Only a few weeks ago, Senator Joseph T. Robinson of Arkansas, Democratic leader of the Senate, declared himself in favor of it. A number of other prominent persons have expressed similar sentiments. It is said that a majority of the members of the Senate Foreign Relations Committee would approve such a step. Of course, neither this committee nor Congress can force the recognition of the Soviet government. Such power lies solely with the executive branch of the government—with the president and the State Department. Congress may pass resolutions and bring some pressure to bear but it cannot in its own right extend recognition to a foreign government.

OFFICIAL ATTITUDE

The successive administrations of Wilson, Harding, Coolidge and Hoover have refused to establish diplomatic relations with Russia. The United States is the only important country which has not taken action in this direction. (It is curious to note in this connection that in the early days of our history Russia waited thirty-three years before recognizing the revolutionary government of the United States. She was the last nation to do so, finally recognizing our government in 1809.)

The United States has a definite policy with regard to recognition of other governments which has frequently been stated by numerous officials. Last year Secretary of State Stimson elaborated upon the principles involved and gave the position of our government as follows:

Ever since the American Revolution entrance upon diplomatic intercourse with foreign states has been *de facto*, dependent upon the existence of three conditions of fact: the control of the administrative machinery of the state; the general acquiescence of its people; and the ability and willingness of their government to discharge international and conventional obligations. The form of government has not been a factor in such recognition . . .

(Concluded on page 7, column 1)



© Acme—P. & A. Photo
FIORELLO H. LA GUARDIA

La Guardia, Radical Republican, Leads House Attack on Legislative Measures

When the House of Representatives was engaged in its historic fight over the tax bill, and rebellious Republicans and Democrats combined to defeat the sales-tax feature, a certain representative won a new name for himself. Republicans, who resented the breaking down of party lines and who were inclined to the use of sarcastic language, dubbed Fiorello H. La Guardia as the real leader of the Democrats. For it was La Guardia, of New York, a Republican, who led the opposition and who was largely responsible for the defeat of the sales tax.

Such action is typical of La Guardia. He is perhaps the most insurgent of insurgent Republicans. He cares little for party regularity and will vote with one or the other as he thinks fit. He fought hard against certain features of the Economy Bill, he uncovered a scandal in Wall Street; in general, he is the "bad boy" of Congress. He is independent, fearless, sensational, a lover of parliamentary battle, and while he may lose the friendship of many of his colleagues he always retains their respect.

Representative La Guardia's seven terms in the House and his connection with national politics have produced many anecdotes which do much in the way of revealing his real nature. For instance, a few years ago when the price of meat was very high, he wrote to the secretary of agri-

culture demanding that some action be taken. As an answer the secretary sent him a government pamphlet entitled "The Economical Use of Meat in the Home." Angered by this retort, La Guardia produced the pamphlet on the floor of the House and at the same time took from his pockets and put on display a small lamb chop costing thirty cents, a roast for which he had paid several dollars and a piece of steak which was priced still higher. He created a sensation.

He likes nothing better than to obtain some startling bit of information and to throw Congress into confusion with it. He will go to any lengths to get what he wants. Some years ago when the S-4, a submarine, was sunk outside of Boston harbor, he boarded another submarine and made an underwater trip to obtain personally information about submarines. Another time, when New York strike picketers were being arrested and charges were made that they were being abused, he disguised himself and joined the picketers. However, he was recognized by the police and they refused to arrest him. Many more incidents in La Guardia's colorful career furnish similar stories. And it seems that with the passing of time their number will increase as the New York representative grows more sensational and more powerful with each session of Congress.

CURTAILED STATE AND LOCAL EXPENSE URGED

Too Much is Spent for Government, Says Hoover at Conference of Governors

TAXATION PROBLEM IS CRITICAL

General Tax Reform Suggested to Relieve Burden of Property Owners

The "high cost of government" is a subject uppermost in the minds of most American citizens at the present time. It is a question which has been receiving the attention of public officials. It was one of the principal topics of discussion at the recent conference of governors held in Richmond, Virginia. On that occasion, President Hoover addressed the governors who came from states in every section of the country. The president devoted his entire message to the gigantic problem of government expenses, laying particular stress upon the present expenses of state and local governments and the need of reducing them. "The economic safety of the Republic," said Mr. Hoover, "depends upon the joint financial stability of all our governments. That stability of the nation is to be attained not alone by the financial stability of the Federal Government. It lies equally in the financial integrity of every State, county, and municipal government."

FEDERAL EXPENSES

The problem of the national government's expenses has been constantly called to our attention. We have had occasion, in the columns of THE AMERICAN OBSERVER, to refer in detail to the efforts of Congress to balance the budget. We have pointed out the various retrenchment proposals designed to trim millions of dollars from the government's expenses. The task, however, is extremely difficult. There are so many of the federal government's expenses which cannot be cut without repudiating obligations already undertaken. More than one-half of the total expenditures are the direct result of the war. The government has huge sums of interest to pay on the bonds which it sold to the public in order to finance the war. It has also made certain commitments toward the veterans of the World War the fulfilment of which involves the expenditure of tremendous sums.

But while this aspect of the problem of government costs has received widespread comment and attention, comparatively little has been said about the financial condition of the governments of our forty-eight states and the governments of the countless cities, towns, and counties throughout the nation. Still this aspect is equally if not more important. In fact, the various states and cities and counties absorb a much larger share of the taxpayers' money than does the national government. The state governments in 1930 (the latest date for which complete figures are available) spent more than two billion dollars. This sum is equal to about one-half as much as the expenditures of the federal government. But when added to the expenses of the local governments throughout the nation, it brings the total up to nearly ten billion dollars. Thus, for every thirteen dollars spent for government in 1930, almost ten were spent by the state and local governments.

It is the ever-increasing cost of government which has evoked such bitter criticism on the part of the people. Charges of extravagance and waste are very frequently made. And it is true that the American people do have to pay more for government today than ever before in the history of the nation. In 1913, the total cost was but \$2,900,000,000. By 1924, the total had jumped to \$10,900,000,000, and in 1930, to \$13,200,000,000. And it is estimated that during the present year the total expenses of federal, state, and local governments will amount to more than \$15,000,000,000. Thus it is estimated that the governments will spend more than five times as much money this year as they did before the war.

PER CAPITA COST

The picture is not entirely accurate, however, if merely the actual increase is taken into consideration. Part of the increase must be attributed to a larger population. It is only natural that all governments should spend more money when there is an increase in the population. The cities and states must build new school houses to accommodate a larger number of pupils. They must provide further health and sanitation facilities. But the increase in population has not nearly kept pace with the increase in expenditures. For instance, in 1913 an average of only \$30.24 was paid by every man, woman, and child in the country for government. In 1929, the per capita cost had jumped to \$107, while in 1932 it will be \$119, according to the present estimates.

In his recent address before the governors' conference, President Hoover compared the increase in costs of government in another way:

Today we are clearly absorbing too great a portion of the national income for the conduct of our various branches of government. Using the most reliable figures available, it appears that before the war the total cost of our national, State and local governments represented only about 8 per cent of our national income. . . Today, with the falling off of business, the aggregate expenditures of national, State and local governments probably represent more than 20 per cent of the national income.

Before the war, theoretically, every man worked twenty-five days a year for the national, State and local governments combined. In 1924 he worked forty-six days a year. Today he works for the support of all forms of government sixty-one days out of a year. Continued progress on this road is the way to national impoverishment.

WHAT SPENT FOR

So much of the agitation for drastic reductions in state and local expenses is made without regard to the actual situation—to the items for which the money is spent. An intelligent solution of the problem may only be found in studying the actual figures and items. When this is done, it can readily be seen that the entire question is not so simple as it may at first appear. What functions of our city and state governments are we going to dispense with in order to save money? Let us first analyze the financial accounts so that we may see where the money goes.

The largest item of expense of the forty-eight states is classed under the heading of "land and improvements." This includes such things as money spent for public parks, the erection of public buildings or improvements thereon, public utilities and many other such items. About one-third of the total is spent for enterprises of this nature. Next in line is education, taking about one-fourth. Then, one-tenth is spent for the building and maintenance of state highways, one-tenth for hospitals and various charities. A small part of the money goes to pay interest on the bonds previously sold by the state; another part to keep up the police force and various other services.

Statistics for the so-called local governments are not so complete. The only complete data take into account only the cities having a population of 30,000 or more. The total expenditures of local governments are known and we have already cited them but for classification into the various items we can take into consideration only the larger cities. It may be assumed, however, that the following di-

vision presents a fairly accurate picture of the expenses of the county and town governments as well. With the city governments, land and improvements constitute the largest item, taking twenty-eight per cent of the total. Education is second with twenty per cent. The cities spend more for the protection of their citizens than the states. Eleven per cent is devoted to that purpose. Interest on the debt absorbs one-tenth, and highways, health and sanitation, as well as public utilities all take a small portion of the total.

DIFFICULTIES

These facts must be squarely faced by those who are advocating retrenchment. Shall our cities and states spend less for education than they are now spending? Shall the counties do away with the ex-

penditure in the union where such a program is undertaken. The difficulties are enormous.

POSSIBLE MEANS

There are, however, certain channels open to the heads of states, counties and cities. Money may be saved in a number of ways. Considerable waste and extravagance do exist in the administration of some of the governments. Oftentimes the county and the city perform the same or like services one of which might easily be eliminated. Or, in some regions the duties of the state and the county overlap. Each must maintain its own machinery. Each must pay out its salaries. In some states, the counties have set up more courts than are actually necessary.

Such conditions do not exist in all states of the Union. During the past few

and cities is the general property tax. In 1929, it accounted for 76 per cent of the total taxes collected by all state and local governments in the country. The city collects a property tax on land and buildings. Then, in many cases, the county comes along and levies another tax upon the same property. Finally, the state imposes another tax burden upon the same real estate.

This burden has become so great in a number of regions that people simply cannot pay their taxes. It was only a short time ago that the state of Mississippi sold more than 60,000 farms at a public auction because the owners were delinquent in their tax payments. State officials were preparing to take similar action in some of the Mississippi cities where home owners did not have enough money to make the necessary payments. And in the great agricultural sections of the West and the Middle West the farmers are in desperate straits. They are scarcely receiving enough money for their products to eke out the most meager of existences and have no funds left to pay the property tax exacted of them.

The present unfortunate state of affairs has given rise to a strong belief on the part of many leaders that the time has come completely to revise the tax system of our state and local governments. The president in his Richmond address recommended a shift from the property tax to some other source of revenue. He said:

REFORM SUGGESTED

One of the taxes which are responsible for a disproportionate part of the hardship of our present tax system is the general property tax. While the National Government imposes no such tax, the State and local governments rely heavily on it for revenue. The taxes upon real property are the easiest to enforce and are the least flexible of all taxes.

The tax burden upon real estate is wholly out of proportion to that upon other forms of property and income. There is no farm relief more needed today than tax relief, for I believe it can be demonstrated that the tax burden upon the farmer today exceeds the burden upon other groups.

Secretary Mills, in a recent address before the New York City Bar Association, laid stress upon the need for greater co-operation between the state and local governments and the national government in devising a more efficient taxation system. Mr. Mills did not confine his remarks to the burden of the general property tax, but showed by means of concrete examples wherein general tax reforms are desirable. In many cases, the federal government collects a tax upon a certain product—tobacco, for instance—and the states levy an additional tax. There are today twenty-two states which have adopted the income tax. The present rate of the state income tax in Wisconsin, plus the tax which must be paid to the national government under the bill recently passed by the House would bring the total to sixty-two per cent on incomes above \$100,000.

Now, Mr. Mills believes that a systematic tax program could be worked out by means of greater co-operation between the various governments. He has therefore suggested that a commission be set up to work out such a program. This commission would endeavor to create a more uniform system in an effort to do away with a large part of the inequities now existing either because of excessive taxes or because of the overlapping taxes imposed by the different governments.

We are including this week a few references bearing upon the problem of state and local government expenses: 1. Efficiency for What? *New Republic*, May 4, 1932, pp. 312-313. 2. Our Frolicking City Fathers. *World's Work*, April 1932, pp. 44-47. 3. Local Governments and Taxes Bigger Problem than Federal. *Business Week*, December 30, 1931, pp. 19-20. 4. American Government and Politics, by Charles A. Beard, Chapter 30, "State Financial Management," pp. 654-671. Valuable information may also be obtained by referring to the text of the president's address which was delivered in Richmond on April 27 and by referring to the address of Ogden L. Mills delivered in New York City on April 29.



© Ewing Galloway
CIVIC CENTER AT SPRINGFIELD, MASSACHUSETTS
It has the reputation of being one of the most beautiful municipal groups in the country.
It is an example of costly, but also of better, government.

pense of keeping up their hospitals? Shall the cities and towns stop work on the public buildings now under construction and shall they neglect to erect others? Drastic reductions in the amount of money allotted to education or improvements or the construction of highways would have serious consequences. In the first place, many people would be thrown out of work—a thing not to be desired at the present time. And in many regions the money now spent for such items as hospitals and charities is none too adequate for the present needs.

The difficulties of effecting a program of savings in the national government have recently been demonstrated. While it was thought an easy matter to reduce federal expenses by about \$200,000,000 when the actual work of authorizing such cuts was undertaken by Congress the obstacles became apparent. Let us take for example one of the major items of the economy program—the proposed salary reduction for government employees. It was defeated in the House because a majority of the members apparently believed such action would do a great deal of damage. And it has been repeatedly pointed out that a reduction in appropriations for the numerous departments would involve the discharging of people who now have work. The same condition exists in any city or

years a number of states have inaugurated a thoroughgoing "overhauling" of their governmental machinery. Officials of the state have cooperated with those of the counties and cities in an effort to create a greater degree of efficiency by eliminating those branches which are not necessary. This has naturally resulted in the saving of large sums of money. Many states and cities have thus been able to reduce their taxes without doing away with such necessary functions as education and sanitation.

So successful has this program worked out in some sections that it has been suggested as a desirable plan of action throughout the country. In his address to the governors, President Hoover urged them to have the heads of the local units—mayors of cities and county commissioners—assemble to discuss these various problems.

PROPERTY TAX

The problem of state and local government expenses is at present much more acute than that of the national government. Many cities, states and counties are on the brink of bankruptcy. They are unable to pay the salaries of their employees. They have insufficient funds to meet their current expenses. Such a condition is, of course, a result of the decline in revenue from taxes. The principal tax of states

Characteristics of English, German and Dutch Analyzed by Foreign Correspondents

As one becomes better acquainted with foreign peoples his opinions of them are likely to undergo several changes. At the beginning he probably looks upon them with some contempt. That is a very common attitude among young children. They suppose that the people of their own country are far superior to the inhabitants of other lands. They are surprised to learn that that superiority is not universally recognized. After a while, if their study is well directed, they come into contact with many excellent things about other civilizations. At the same time they are learning to be critical of themselves and those about them. Their notion that other peoples are inferior may then give way to an excessive criticism of their own country and an undue admiration for foreign institutions.

We have carried in the columns of THE AMERICAN OBSERVER a number of letters from foreigners in which American institutions and customs were severely criticized. This week we are giving our readers quotations tending to show that our foreign correspondents see weaknesses among their own people. When we examine these quotations, we may come to feel that many faults which we see in things about us are rather common to peoples everywhere. The remarks which we are quoting have to do with the failure of young men and women, particularly those who are in the schools, to measure up to standards of scholarship and civic efficiency.

We hear quite a little about the political views of Englishmen, and through our reading of the larger English newspapers we come in contact, more or less, with the thought and habits of those who live in the large English cities. Here is a picture of phases of life in one of the English towns:

What are the interests and characteristics of the average English youth as I meet him (I am a Printer's Reader in a small recently industrialised county town)? Firstly, he is intensely individualistic, himself is his best friend, although he is generous when it comes to keeping up appearances. He rarely reads anything but the sports, and sensational pages of the evening paper, never listens to anything but vaudeville and the sports bulletin on the wireless. On Saturday afternoons he goes to watch his local team or the City play (football), the vicissitudes and respective merits of players are his talk with his fellows. He frequents the cinema most weeks and church or chapel once a week for the sake of his eternal welfare, ostensibly; but primarily as a means of social intercourse. His chief concern is whether the *Arsenal* or *Newcastle* will win the Cup; personally I favour the *Arsenal*, but that is by the way! He is Conservative or Labour in politics, according to his father's political convictions; and any swerving from his ideas in this respect would precipitate parental wrath in the best classical tradition of Corneille. His elders, to whatever political party they belong, are intensely conservative, abhor the extra beer tax, are keen gardeners, rivaling one another at the local flower shows,

and keep a few hens in the back yard and a geranium or aspidistra in the front window.

A German correspondent speaks of the way education for citizenship is carried on in the German schools:

Present politics receive, as a rule, very scanty attention at German schools. Pupils are only taught about the history of the past; they learn little about the events of the last few decades. This practice of teaching prevails also at our intermediate schools, where youth is prepared for the universities. At the universities there are lectures of political science, *Staatsburgerkunde*, which are understandable also by undergraduates not studying just this science; but the visit of those lectures is not obligatory; they are, however, quite well attended. Thus, averagely taken, our students know when leaving the university very little about how the country is governed, etc., if they have not belonged to the discipline of political science. In this connection it may be mentioned that especially the Nazis are fighting for an improvement in this way. They will, however, surely teach according to their idea. While the training of the youth for citizenship is on not a very high level here, party-policy is much carried on at schools and especially at universities; at the latter the students are divided into the different parties ruling in the state. At our universities often political skirmishes arise as a consequence of that.

A letter from Holland speaks of a lack of interest on the part of boys and girls in the schools and undertakes to find an explanation for it:

I think all over the world teachers complain about the lack of interest in their pupils, who, just as you wrote in your letter, only just want to walk the narrow path of the examination requirements and for the rest don't want to exert themselves. I think part of the fault must also lie in the system of teaching, and partly it is owing to the fact that lots of pupils are visiting our schools who really don't belong there, have not enough intelligence and general interest and would be far happier as manual workers. I think this will also be the case at your schools. It is a kind of epidemic at present, that everybody wants to do mental work, wants to study, whether they have a turn for it or not.

This same letter describes the educational problem which is found in Holland as a result of religious differences and of the part which the religious sects play in the determination of educational policy:

Some twenty years ago, we had a fight (political) called the school fight for the freedom of every religious sect to found a school of their own with a grant from the treasury. Now you must know that Holland, small as it is (perhaps just because it is so small) has an incredible number of religious sects. We have an established church (the Dutch Reformed Church, of which the Queen is a member), but by the side of this any number of Dissenters. We have two Lutheran churches, a French church (Protestant), a very powerful Roman Catholic Church, and then especially in the large towns many Jews. All those sects have their own schools, except the Jews, who have very few, and only one high school in Amsterdam. All the Roman Catholic schools (elementary and high schools)

get so much money from the state that they can pay their teachers the same salaries as at governmental and municipal schools. Many of those teachers are priests or nuns, who don't want the salary. So it returns to the Church. In this way Protestant Holland enriches the Roman Catholics enormously. Hence what we call our public schools (*openbare*—municipal or governmental schools) which are neutral, where no religion is taught, and all sects are received, suffer very much from this state of things. Especially in smaller places, there are often two or three denominational schools and the municipal school is empty. The different religious sects compel the parents (especially the poor ones) to send the children to their schools, e. g., by refusing to help them in case of need. Such a school can be opened when a list with a sufficient number of signatures is presented. And often they try to get such a number of signatures by fair and by foul means. In Amsterdam alone there is any number of denominational schools and many of them perfect palaces. You will understand how much money the government has to spend on education in this way.

CIVIL WAR

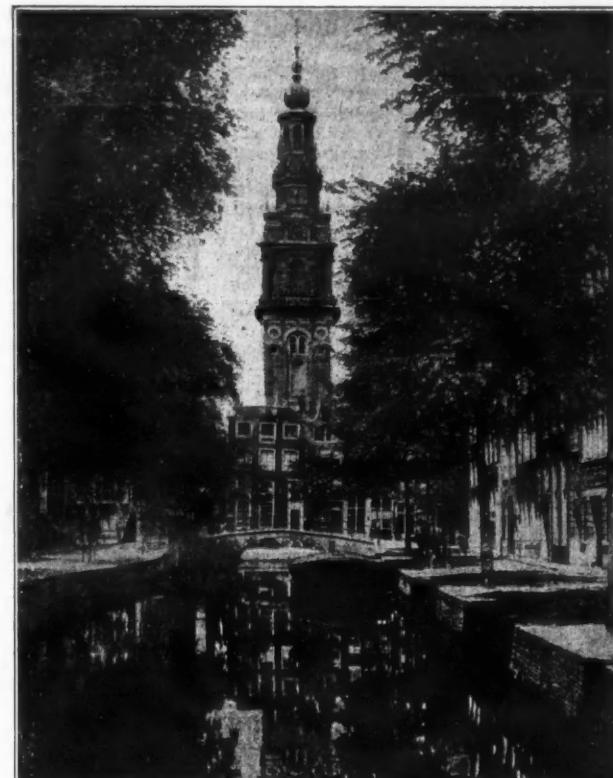
While the signing of an armistice between China and Japan seemed imminent last week, the peace and stability of China was threatened from another quarter. Leaders of the revolutionary movement of South China, centering their activities upon the city of Canton, gained control of the sea and air forces stationed in that section. The Canton rebels were said to be raising large sums of money by levying huge taxes upon merchants and landlords. On the other hand, the government in Nanking was also on the alert. It reopened one of the large arsenals and began operations therein on a twenty-four hour basis. While civil wars in China are not uncommon, the present disturbances between the Canton faction and the Nanking government are regarded as grave. Trouble has been brewing for some time.

BONUS HOPE FADES

After seventeen days of hearings, the House Ways and Means Committee completed its task of listening to testimony for and against the so-called soldiers' bonus

bill on May 3. Two days later, the committee assembled to consider the drafting of a bill which would authorize the payment of \$2,400,000,000 to the veterans of the World War. Advocates of the bill were somewhat pessimistic last week. They felt that the committee would not report it favorably. In this event, Representative Patman of Texas, principal leader of the bonus fight, said he would circulate a petition among members of the House. He would attempt to secure the signatures of sufficient members to force the bill from the hands of the committee.

The Dail Eireann, lower house of the Irish Parliament, voted 77 to 71 on April 30 to abolish the oath of allegiance to the British King. This vote was taken on the second reading of the bill recently introduced by Mr. de Valera.



CANAL AND CHURCHES TYPICAL OF HOLLAND
The question of church influence in education is one of Holland's problems.

THOUGHTS AND SMILES

"Any family," says a writer, "can keep chickens in its back garden." Certainly. All it has to do is plant the garden.
—Philadelphia INQUIRER

The Russian automobile plant has been closed. Trying to copy the United States again.
—Columbus ENQUIRER-SUN

With reference to a newspaper statement that a harpooner has been known to earn as much as 200,000 pounds in a season, an old lady writes to us suggesting that some of these musicians are overpaid.
—London PUNCH

If Uncle Sam is going to charge three cents for letter postage, he might at least put something tasty on the backs of the stamps.
—Philadelphia BULLETIN

"Age decides the worth of a great many things in this world," we read. This is especially true of furniture and eggs.
—London HUMORIST

They never fail who die in a great cause.
—Byron

A young author states that he has been writing novels ever since he could spell. Too many novelists begin before that.
—London PUNCH

Daylight savings means that you have an extra hour to sit and observe that it's been a long, hard day.
—New York SUN

If grasshoppers are determined to destroy our crops, it's nice of them to do so when the prices are low.—Sioux Falls ARGUS-LEADER

Men are sometimes accused of pride, merely because their accusers would be proud themselves were they in their places.—Shenstone

Why refer to it as "common sense" when it is so uncommon?—Philadelphia INQUIRER

An African explorer finds a jungle whose vocabulary has but ten words. There are great possibilities in that language. Announcers and congressmen might study it.
—Los Angeles TIMES

The only fair tax is the one that hits the other fellow.
—Cleveland PLAIN DEALER

A convention of singing teachers has decided that crooning is hard on singers' throats, but luckily very little crooning seems to be done by singers.
—Dayton NEWS

PRONUNCIATIONS: Fiorello La Guardia (fyoh-re'llo-y is short, first o as in or, e as in get, second o as in go; guard'yah), Litvinov (lit-vee'nof), Hermann Warmbold (hair-mahn varn-boldt), Staatsburgerkunde (stahts-boor-gar-koon-de-g as in get), André Maurois. (ahn-dray mow-rwah, n scarcely sounded), Pulitzer (pew'lit-ser), Norwich (Nor-rich).



—Courtesy Canadian Pacific

NORWICH, ONE OF THE BEAUTIFUL COUNTY TOWNS OF ENGLAND

THE AMERICAN OBSERVER

Interpreting national and international events and analyzing currents of opinion. Published weekly throughout the year (except two issues in December) by THE CIVIC EDUCATION SERVICE, 744 Jackson Place, N. W., Washington, D. C.

Subscription price, single copy, \$2.00 a calendar year. In clubs for class use, \$1.00 per school year or 50 cents per semester.

Entered as second-class matter September 15, 1931, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

EDITORIAL BOARD

CHARLES A. BEARD DAVID S. MUZZEY
HAROLD G. MOULTON E. A. ROSS
WALTER E. MYER, *Editor*

WEDNESDAY, MAY 11, 1932

REVIEW OF THE WEEK

LAST week the House of Representatives completed its debates on the omnibus bill and passed the measure by a vote of 316 to 67. But the measure as finally adopted differed widely from the form in which it had been introduced the week previous. The final bill provided for savings of only \$38,000,000 whereas the original bill, if accepted, would have effected savings amounting to more than \$200,000,000. In the course of the six days during which the omnibus bill was discussed on the floor of the House it was completely torn to pieces by members of both parties who rebelled against their leaders.

One of the first and major provisions of the bill to be stricken out was that of the eleven per cent pay cut for government workers. Instead of voting to reduce the wages of all employees receiving more than \$1,000 a year, the House placed the exemption at \$2,500, thus reducing the estimated saving by \$55,000,000. Then, item by item the House went down the list of savings prepared by the joint action of the president and Economy Committee. It struck out the proposal for a consolidation of the War and Navy Departments, the elimination of the half-holiday for federal workers, reduction in the allowances made to war veterans, until there was little left to the bill. The wrecked bill was then turned over to the Senate for its action.

It became apparent as soon as the economy bill was presented for debate that the matter of reducing the government's expenses was much more difficult than many had previously believed. While there appeared to be a strong sentiment in the House that expenses should be cut, the consideration of each item revealed a number of the difficulties. The defeat of the pay-cut provision, for instance, was the result of a firm conviction on the part of those who voted against it that such a reduction would do a great deal of harm to the country and would set a bad example for all industries. And with the other items, most of the members voted against them because of their belief that retrenchment on the part of the government would only lead to the discharge of numerous

men and women now earning their living in the government service. A number of cabinet officers have protested against reductions in the appropriations for their departments, pointing out that they will be obliged to discharge hundreds of employees if such cuts are put into effect.

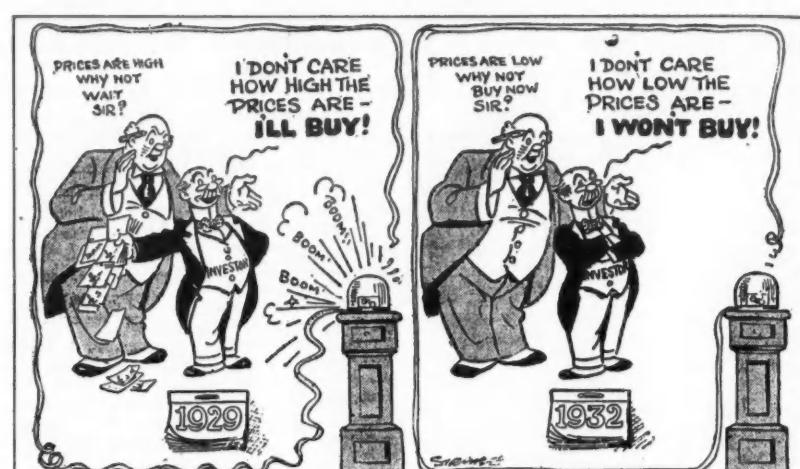
IMPORTANT primary elections were held on May 3 in four states, California, Alabama, South Dakota and Indiana. In California Governor Roosevelt, Alfred E. Smith and Speaker John N. Garner came together in a three-cornered race for the state's 44 votes in the Democratic National Convention. In Alabama, Governor Roosevelt seemed certain of receiving a solid block of 24 delegates, and he seemed equally assured of obtaining South Dakota's 10 votes. The Indiana primary was for the nomination of candidates for the House, the State Legislature and for various county offices. Prohibition was the principal issue.

As we go to press the returns of these primary elections, particularly the one in California, are just beginning to come in and the outcome is very much in doubt. Speaker Garner appears to have a slight lead in the few districts which have reported in California. This lead may be wiped out or increased after more districts have reported. The California primary is regarded as a crucial test for Governor Roosevelt. It is conceded that if he is successful in winning the state's 44 delegates it will be very difficult to prevent his nomination. On the other hand, should he lose them to either of his opponents, his nomination may not be secured so easily. The anti-Roosevelt forces, who, rallying around Alfred E. Smith, are working hard to keep Mr. Roosevelt from nomination are banking heavily on the California primary. It may spell success or defeat for their cause.

Now that the Massachusetts and Pennsylvania primaries are fully over it is possible to make some appraisal of the results. Roosevelt's overwhelming three to one defeat by Alfred E. Smith in Massachusetts was naturally a disappointment to his supporters. They had not expected to win the state, as Massachusetts is beyond question Smith territory. However, they had hoped to wrest six or more delegates from their opponent. Political observers appear to agree that Governor Roosevelt committed a tactical error in entering the Massachusetts primary at all. It is said that he had not the remotest chance of getting anything out of it, and that he came out of the contest with lessened prestige.

In Pennsylvania, the result is not so clear. Governor Roosevelt obtained a plurality of votes but his lead over Mr. Smith was less than had been expected. The returns from Pennsylvania came in very slowly, and it is still unknown just how the state's delegation of 76 will vote at the convention. The Smith forces are claiming some 35 delegates and the Roosevelt supporters place their own gains at 50 or more. Smith seems certain of at least 18 delegates and may receive more. Delegates are not bound, in Pennsylvania, to vote for any particular candidate, so the outcome of the Pennsylvania primary may be set down as indecisive.

THE Senate Finance Committee neared the completion of its work on the tax bill last week. It was apparent that the measure which it will present for consideration will differ in many respects from the House revenue bill. The Senate committee has stricken out the tax, or tariff, on imported oil and coal. It has also reduced the tax on the sale of stocks on the security markets of the nation. It will be remembered that this feature of the House bill met with severe opposition from many quarters, particularly officials of the New



THERE IS ONE BORN EVERY MINUTE

—London DAILY EXPRESS

York Stock Exchange who claimed that it would greatly retard the return of prosperity. The Senate committee has accepted a tax of four cents a share on stocks thus sold instead of the higher rate.

Another major change of the tax bill as it was being whipped into final shape was the increase in postage rates. While the three-cent rate for first class mail was accepted, members of the Finance Committee went even further. They increased the rate on second class mail. A protest against such a rate was lodged by a number of newspapers which will naturally be affected by the change. Further taxes voted included a tax on all telegraph messages and an increase in the income tax rate fixed by the House.

AS had been expected the first election in France for the Chamber of Deputies, held on May 1, left the final outcome somewhat in doubt. The contest was decisive in only 248 out of the 615 districts. In the remaining 367 districts no candidate obtained a clear majority and it was necessary to hold a run-off election the following Sunday, May 8, at which time a mere plurality was sufficient for election.

While no accurate forecasts can be made at this writing of how the parties will line up in the new Chamber, which meets on June 1, there appeared in the first election to be a trend toward the Left—toward Herriot and away from Tardieu. Of the 248 members chosen, 63 were Radical Socialists, Herriot's party, 40 were Socialists, and 37 were Left Republicans, the party of Tardieu. In most of the districts the Left vote was heavier than the Right and it was predicted that in the run-off election sufficient Left members would be elected to give them complete control of the Chamber. But while this seemed probable it was not certain, as elections seldom are until the final count is made.

BY a vote of almost five to one, the House of Representatives on May 2 passed the Goldsborough bill the principal object of which is to raise prices to their pre-depression level. This measure authorizes and directs the Federal Reserve System, in co-operation with the Treasury Department, to take whatever action it deems necessary to bring this about. A restoration of higher prices for goods would be accomplished by the Federal Reserve System by means of issuing larger sums of currency and by granting greater credit facilities to banks throughout the nation.

The passage of this bill demonstrates the growing tendency on the part of the leaders everywhere to believe that the enormous decline in prices is one of the major factors in the present depression and that there must be a rise before we may hope for better times. The effects of the decline in prices are amply set forth in the quotation from the *Review of Reviews* given on page five of this issue. One of the primary objects of the so-called bonus bill is to raise prices by means of issuing more than two billion dollars' worth of new currency. The Goldsborough bill is an attempt to bring it about through the

channels of the central banking system of the nation.

Despite the overwhelming majority by which the measure was passed in the House, there is considerable feeling that it will be bitterly opposed in the Senate. The administration is known to be against it. New York banking circles have not given their approval. The opinion of the opponents seems to be that it is a step leading to inflation and hence it is a step which might produce disastrous results. The principal fear is that European nations will lose confidence in the stability of the dollar and will desire to sell their investments in this country. The immediate result of the passage of the bill by the House was a decline in the value of the dollar in a number of foreign countries, particularly Switzerland, Holland, France, Belgium and others.

SECRETARY STIMSON completed his European trip and sailed for the United States on May 4. His efforts to bring to agreement the major world powers on the question of disarmament plans brought no concrete results. The clash continues at Geneva. Disagreement between France, and the nations supporting her plans, and the United States and the countries lined up with it is one of the major obstacles to be overcome if the disarmament conference is to succeed. Further evidence of this conflict was shown last week when Senator Swanson of Virginia, one of the American delegates, clashed with members of the French delegation. The French proposed that the London Naval Treaty of 1930—by the terms of which the sea power of the United States, Great Britain and Japan is limited—should be revised. The American senator objected to such a suggestion on the grounds that the treaty should not be tampered with until its expiration in 1936 unless other additional agreements have been reached before that time.

AN effort to bring the question of Philippine independence to a vote in the Senate on April 29 was defeated by the foes of the bill. The Senate had voted to consider the matter until two o'clock at which time an appropriations bill was to be taken up. But as soon as the question was opened for debate, Senator Borah rose to his feet and delivered a discourse bearing upon Russian recognition. Then, Senator Copeland took the floor for an hour and spoke on the healing virtues of the water of Hot Springs, Arkansas, a reservation acquired by the national government one hundred years ago. By the time Mr. Copeland had completed his address, it was two o'clock and the Philippine bill had to be put aside for the appropriations bill. There appears to be considerable doubt that the Senate will take definite action on the Philippine question during the present sessions. The Hawes-Cutting bill, which was to have been considered on the 29th, has been put back on the calendar. A number of Senators have proposals of their own, many of which are in disagreement.



THE RESULTS SO FAR

—Sykes in N. Y. EVENING-POST

THE LIBRARY TABLE

STUDIES OF OPINION

X

If one examines the press of the nation and the statements made by political leaders, he will be aware of an increasing concern about the unbearable burden which the universal fall of prices has placed upon debtors. This burden is so heavy that a member of Congress voiced a common sentiment the other day when he said that the nation is bankrupt. The people of the country cannot pay their debts. Dr. Albert Shaw gives editorial expression to the general concern over this aspect of the business depression in the May *Review of Reviews*:

If a farmer's interest, taxes and other fixed obligations have required regular payments of \$1000 a year, they could be met a dozen years ago by selling 500 bushels of wheat, whereas during the past year the farmer would have had to sell from 2000 to 4000 bushels of wheat, or other products on a similar scale, in order to meet these unshaking obligations of \$1000 per annum. Under such conditions, with ruin staring him in the face, the individual farmer cannot bother with theories about the relation of over-production to market prices. What he sees clearly is the obvious fact that low prices compel him to sell increased quantities. If he had no other debts, and if his tax burden bore a decent relation to his actual net income, he could readily engage in cooperative movements for helping to stabilize prices and to make the desired adjustments between demand and supply.

Doubtless it is true that the tremendous energy with which the American people during and after the war stimulated mass production of all kinds resulted in vast outputs that for a time ignored the dangers of receding demand, especially for export. But the thing that really concerns us now is the fact that our period of expansion was attended by unprecedented borrowing, and by universal advances in the habitual cost of living. Wage scales were the highest in all the course of economic history; and the wage earners, like the farmers, spent and invested as never before. Many of them—if not most of them—bought housing property, or automobiles, or shares of stock on the instalment plan at high current prices. They found themselves involved in debt when prices dropped and when wage earnings began to decline, with many industries shutting down and with unemployment widespread. What they face is *debt*, in terms of dollars, at a time when their services and their assets fail to command dollars on price scales prevalent when the debts were incurred. Such a situation tends to grow worse, not better, if unrelieved.

The *New Republic* sees little value in the plans for economy and governmental efficiency which are being put forward by the president and congressional leaders. It holds that a cutting down of governmental activities will throw people out of employment, will turn the government's back against activities in which it should engage and will benefit chiefly the well-to-

do persons who pay the greater part of the income taxes. Here is this magazine's editorial comment:

The net result of increased governmental "efficiency" during a depression is therefore doubly injurious. While with one hand it decreases the amount of money paid to those who need it in order to purchase consumers' goods, and who thus form part of the ultimate market for industry, with the other hand it increases the amount of idle investment resources, which already are too great to be employed profitably in making goods for the consumers. The government is busily engaged in taking money out of circulation, while it vaguely hopes that business will put more money into circulation. It is, within the realm which it controls, practising deflation, while it expects deflation to be halted in the realm which it does not control. Governmental efficiency comes just at the time to place a capstone of folly on the crazy edifice which private efficiency, without social planning and control, has erected.

Henry Raymond Mussey, writing in the *Nation*, describes the efforts of the Communists in Russia to weaken the power of the Christian churches and to break down organized religion. He argues that the Communists themselves are developing a religion, though they do not call it by that name. Here is his explanation of what he terms Russia's new religion:

The important thing socially about a religion is that its beliefs, resting not essentially on the evidence of the senses, be held by its adherents with an intensity sufficient to make them do something. If they are not, then that religion does not amount to much. It is very possible on this ground that Mr. Holmes sweeps organized religion out of the door. When Christians become the same sort of people, for all practical purposes, as non-Christians, when they think and act like non-Christians, then Christianity has ceased to be a powerful social force. In all candor it must be admitted that that is the situation today. It is not so with communism. Communists act differently from non-Communists because they think differently, believe differently, feel differently. They deny the old faiths, only to affirm their own the more intensely. That faith is none the less the heart of a religion for the fact that it scornfully rejects all supernaturalism and professes for its theology a militant atheism. Like the devotees of other great religious movements in their prime, the Communists are possessed of a somewhat mystic inward faith that has only contempt for such of the hard realities of life as do not fit the faith. In fact, it is in Russia, and in Russia alone today, that we are witnessing the faith that removes mountains.

THE INDIAN REVOLT

Everyone knows, of course, that events of tremendous significance are taking place in India. A revolution is under way. Millions of Indian people are demanding either independence or a greater degree of self-government than the British are willing to concede. The revolution is in the main

peaceful but there are many riots among the Indians and there are stern suppressions on the part of the British. No one knows what the outcome will be, but everyone knows that the old order, as it has been known for generations, is passing away. This changing state of things in India is described by Robert Bernays in "Naked Faquir" (New York: Henry Holt and Company, \$3.00).

Mahatma Gandhi is, as one might infer, the "naked faquir," to use an expression of a British Tory, Winston Churchill. But he is not regarded by Mr. Bernays as a fakir, but rather as one of the world's greatest men, who is fighting with weapons which to most of us are unfamiliar. It is not to be supposed, though, that this book deals primarily with Gandhi. It is a book about India, about the nature of the Indian revolt, about physical conditions and states of mind which one finds among the Indians and among the British representatives in India.

The author of this book is not hopeful of a solution by which India will be retained under British rule. As he sees it, the Empire is disintegrating and India is ceasing to be a part of it.

AS MAUROIS SEES IT

André Maurois, who stands near the top among contemporary French writers and who is known in America chiefly for "Disraeli," "Byron," "Ariel: the Life of Shelley," and "Aspects of Biography," has published a collection of essays which he calls "A Private Universe," (New York: D. Appleton Co. \$2.50). These essays, which are thoughtful and delightful to read, cover a wide range. Especially interesting are the chapters in which he gives advice first "To a Young Frenchman leaving for England," and later "To a Young Frenchman Leaving for America." These chapters furnish the clue to this keen-minded Frenchman's view of life and thought in England and America.

One feels that M. Maurois is a close observer and that he has a penetrating insight into American manners, though his acquaintance with Americans appears to be quite limited. He understands the social life of an eastern university, for he lectured several months at Princeton, and he understands the circles of formal society in which he moved during his visits in New York. But these circles, after all, form a very small part of America. Some of the essays in this book are brilliant, all of them are clever, and the collection as a whole will furnish a very attractive addition to any library.

A WAY OUT

As the depression fastens its grip upon the world and as the people settle down to month after month of suffering and anxiety, as yet unrelieved, it is natural that many should give thoughtful consideration to the causes of the unprecedented condition which exists and to possible means whereby normal conditions may be restored. Naturally, a great number of the plans which are being proposed are ill considered. The heedless as well as the thoughtful are turning their hand to the problem of recovery. Several books have appeared recently, however, from the hands of competent economists and they are contributing to an understanding of the world disorders. One of these, Sir Arthur Salter's "Re-

covey," we discussed two weeks ago. Another, Robert Briffault's "Breakdown," we reviewed a week ago. We are calling attention now to a work by a German economist, Kuno Renatus—"The Twelfth Hour of Capitalism" (New York: Alfred A. Knopf. \$2.50).

The author describes the progress of the world's economic breakdown, explaining in logical fashion the various factors which have contributed to the collapse of trade and credit and confidence. He explains causes and effects, giving a picture of existing conditions in terms which are clear and readable. Finally, he outlines the courses which he thinks should be followed in order that relief may be had.

It is impossible to point out in the short space at our command the contributions made by this book. One of them is the very effective picture of the debts under which the nations of the world are struggling. These debts were not contracted as ordinary debts are. As a usual thing, when money is borrowed it is put to a productive use and this very use establishes the

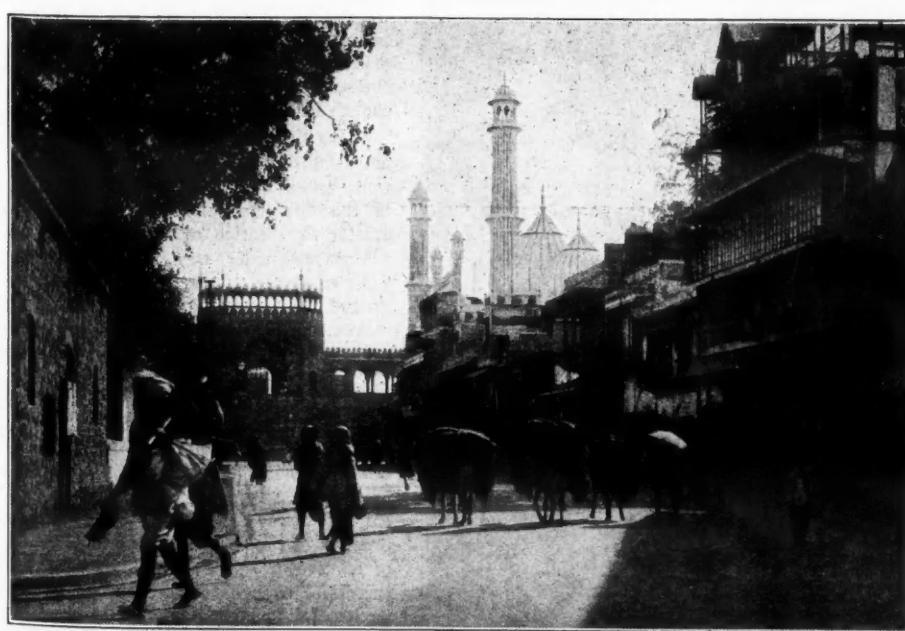
means whereby payment may be made. But the war debts, and by this is meant not only the debts owed by certain nations to others but the debts which governments owe their own bond holders, were contracted for a work in destruction which created no means for repayment. Now peoples are called upon to bear burdens of payments which, under the circumstances, are practically impossible. Money is flowing from the tax payers to certain classes of the population, the bond holders, and the ordinary course of wealth distribution is disturbed. Not only that, but the ordinary course of investments is altered and business is disarranged. Dr. Renatus thinks that there can be no recovery until the debts, both external and internal, that are owed by one nation to another and those owed by governments to their own bond holders, are scaled down to an extent which will take account of the general fall of prices. As prices go down it becomes harder to pay debts defined in terms of gold. Hence, in reality, the debt burden is increasing and as a result people are becoming impoverished, for business is being ruined.

"BLOOD AND OIL"

The other day we picked up a book called "Blood and Oil in the Orient," by Essad Bey (New York: Simon and Schuster. \$2.50). The very title sounded alluring but imagine our anticipation when we turned the cover and found this descriptive blurb!

The scented breath of a story-book past blows through this tale of danger, terror and death. Into "Blood and Oil" are poured robbers, princes, potentates, oil fields, and oil bandits, eunuchs, plagues, desert chieftains, devil-worshippers, fire-worshippers, harems, fabled cities, magical cures, strange and fearsome customs, absurd wiles and stratagems, ruses and escapes, desert-wanderings, disemboweling, mad Bolsheviks, Stalin, abductions from the seraglio, the revolt of a leper colony, an outbreak of Wild Jews, the strange enigma of the Hakim (the magician of the desert), Turks, Englishmen, Germans, Russians, Georgians, slave-girls, Persians, peasants and poets, singers and sadists: all combining to form a narrative as rich and loamy as the oil it celebrates and as vivid as the trail of blood it traces.

This promise is scarcely exaggerated. Essad Bey, whose father was a wealthy capitalist owning properties in the oil-fields around Baku, that part of Russia south of the Caucasus and bordering on the Caspian Sea, tells of the wild, thrilling life of that troubled region of the world. When revolution comes, he escapes and finds his way through exciting adventures to Samarkand. Essad Bey is the author of "Twelve Secrets of the Caucasus" and has recently written a biography of Stalin.



Courtesy Hamburg-American Line
DELHI, THE CAPITAL OF INDIA

"Millions of Indian people are demanding either independence or a greater degree of self-government than the British are willing to concede."

SOCIAL SCIENCE BACKGROUNDS

American Liberal Movements

IT is a very interesting thing, in looking back over the history of the country, to observe that now and then there have been periods of progressivism or liberalism. These were periods when large numbers of the people became impressed with the idea that our society should become more democratic; that there should be a readjustment of wealth in the interests of the masses of the people; that privileges should be taken away from the powerful in order that opportunities of life might be open to greater numbers. These are always ideals of American life in a very general way but it is only occasionally that specific measures looking toward their realization find a place in political programs. They find a place in minority programs at all times, to be sure, but it is not so often that liberal or progressive ideas exert a moving force upon majorities.

The country passed through a period of liberalization or progressivism early in the present century. The first rumblings of the forward movement of democratization were heard before the close of the old century. The movement proceeded in a zig-zag course with some success and some defeats from that time until the outbreak of the World War.

The generation following the Civil War was conservative. With a few exceptions, the large business interests had little reason to object to the course of public policy. This was a period of material progress and the captain of industry was the popular hero. There were few changes in the forms of political procedure. Few efforts looking toward a further democratization of government or society were successfully carried out.

Then in the last decade of the century came a wave of so-called "radicalism" under the leadership of William Jennings Bryan. The Democratic Party was torn from its conservative moorings. It became, under the leadership of Bryan, a party of protest, voicing the appeal of the poorer sections of the population for a new deal.

After the accession of Theodore Roosevelt to the presidency, liberalism began to have a hearing in the Republican Party.

The Pre-War Period

Though Roosevelt did not put many typically progressive laws upon the statute books, he did stir the public conscience by his pronouncements and he prepared the way for progressive agitation. The field which he cultivated did not long lie fallow. A number of leaders of the party were sowing seeds of protest or reform. There were demands for a lowering of the tariff, for measures to combat the high cost of living, for an extension of the franchise to women, for a constitutional amendment which would make possible the taxing of incomes by the federal government, for the direct election of senators, for direct primaries by which candidates might be nominated in a more democratic fashion, for the initiative and referendum as a means of legislation without legislatures, and for other liberal programs.

The Republicans who advanced these ideas were called "insurgents." They split the party so badly that the Democrats elected a majority of the House of Representatives in 1910. In 1912 the Republican Party was divided, the Conservatives renominating President Taft, and the Progressives breaking off to try the adventure of a new party, called the Progressive

By David S. Muzzey and Walter E. Myer

Party, with Theodore Roosevelt at its head. The result of the contest was the election of Woodrow Wilson, who represented the liberal or progressive wing of the Democratic Party. The progressive movement continued through the first half of Wilson's first administration and then it collapsed with the outbreak of the war.

This onsurging of the democratic elements, which lasted for about twenty years, and which exerted a controlling influence in the government for nearly half that time,

Permanent Liberal Marks

left a number of permanent marks in American government. It legalized the income tax which allows the federal government to collect a large part of its revenue from the holders of great wealth; it replaced the old system by which senators were elected by state legislatures and established direct election; it gave women the right to vote; it established in nearly all states, primaries by which state officers are nominated by the parties. In many of the states, it created presidential preference primaries by which the voters of each party are permitted to bind their delegates to national conventions to vote for the presidential candidate of the voters' choice. This period saw the establishing of the initiative and referendum in a few states. In these states, upon a petition of a certain number of the voters, proposed measures are submitted to the people and, if carried in a popular vote, become laws. This is not the whole list of progressive or liberal achievements but it is a representative list.

In those days, which seem now almost like another era of civilization, when war

had not yet broken out among the nations, it appeared that the liberal movement in the United States might go considerably farther. It seemed that we were on the verge of social legislation such as most of the countries of Europe had adopted. Such legislation includes laws compelling safety devices in factories, laws limiting the hours of work, and laws providing for social insurance which would give maintenance incomes to those who are sick or out of work, or who are injured in industry or who have become too old for employment. When war broke out, and especially when the United States was drawn into it, steps toward liberalization and democratization were, of course, suspended. War and democracy are deadly foes. Democracy is always suspended during a war. Wars are carried on by autocracies. The one object, at a time like that, is to stop all quibbling about social readjustments and to amass the whole strength of the nation behind one supreme object, which is defeat of the opponent.

When the war was over, it might have been supposed that there would have been an insurrection of liberalization but conditions were not right for that. In the first place, people were weary. They were emotionally worn out and they were tired of the abnormalities of war times. They were done with heroics. They longed to get back to the old days. The cry was for a return to what President Harding referred to as "normalcy." Of course they never got there. If they only knew it, it required keen thinking, courageous acting, heroics similar to those of war days, in order

to reconstruct the economic life of the war-torn world, and to establish conditions of stability comparable to those of the days of "normalcy." But the people supposed that all they had to do in order to get back the "good old days" was to relax, turn a deaf ear to all appeals for reform, and let old style politicians have things their own way.

Another condition operated to prevent a return to liberalism. People were not only weary but they were afraid. They were afraid of Bolshevism which had established itself in Russia. They were afraid that radicals would upset society and bring on some kind of catastrophe. Little did they know what we know today, that if the bankers, big business men and great financial leaders were given a free rein they would allow the nations of the world to drift into the catastrophe which now engulfs the populations everywhere.

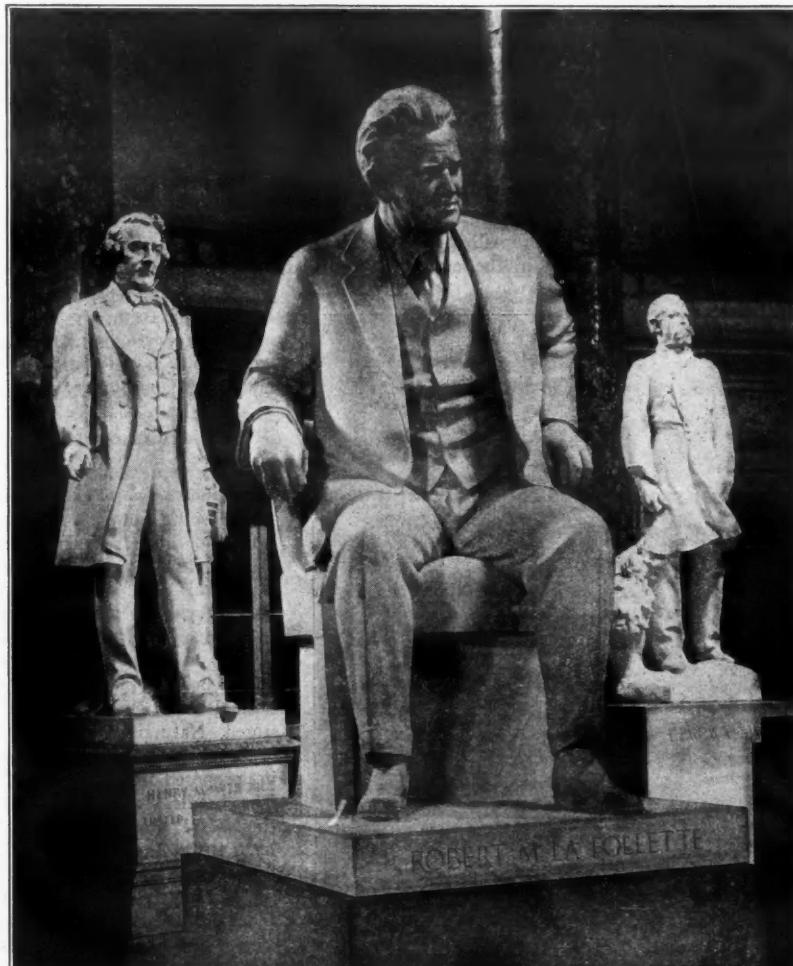
There were attempts to revive the spirit of 1912 after the close of the war. In 1920, progressive leaders from each of the forty-eight states established what was known as the "Committee of Forty-eight." This committee held a national convention and tried to fuse discontented workers and farmers into a political group. A presidential candidate was put in the field but he received very little support. In 1924, Senator Robert M. LaFollette, of Wisconsin, who had been a leader of the progressive movement from its very early days, and who had made his state the laboratory for progressive experimentation, undertook the formation of a third party. He was named for the presidency and Senator Wheeler, of Montana, a Progressive Democrat, was named as vice-president. This party carried LaFollette's own state of Wisconsin and secured a popular vote of 4,660,000. But no new party was established. Those who voted for LaFollette and Wheeler returned to their places in the Republican and Democratic parties.

At the present time, John Dewey, one of the leading American philosophers and educators, is advocating the establishment of a new party with an advanced liberal platform.

The Present Situation

But the political advocates of progressivism have given him little support. Both parties are divided. There is a liberal and a conservative wing clearly defined in the Republican party. There is the same division of the Democratic party, though it is less definitely marked out.

If we turn from this recording of facts and events to an inquiry as to the conditions under which movements for change in the direction of democracy and a greater equalization of wealth and opportunities get under way and capture the support of the people, we are on difficult ground. It might be supposed that such movements would come when the people are sorely pressed. As a matter of fact, in the midst of the present depression there is little tendency in the direction of liberalism. The people are apathetic or else they tend to go off at one tangent or another after some vague hope of relief. They are not being welded into any coherent, progressive movement. The greatest progress of progressivism came in a period of relative prosperity when people were successful enough to have energy and to be hopeful and yet were not inspired by wild hopes of sudden wealth as so many were during the "boom" days of 1927-1929. And periods of advancement have coincided in American history with periods of peace.



THE GREAT EXPONENT OF PROGRESSIVISM
This impressive statue of Senator Robert M. La Follette, Sr., looms large among the many others of Statuary Hall in the United States Capitol.

NEW PLEAS MADE FOR SOVIET RECOGNITION

(Concluded from page 1, column 1)

According to our policy, therefore, three conditions must be fulfilled before our government is willing to grant recognition. To what extent have they been fulfilled by the Soviet government? It is on this question that depends the official attitude of this country toward Russia.

It is generally conceded today that the first two requirements have been met satisfactorily. There can be no doubt that the Soviet government is absolutely and effectively in control of the administrative machinery of the state. It carries on the functions of government without difficulty and without opposition. Furthermore, there appears to be a general acquiescence of the people. In the course of fifteen years there has been no organized revolt against the Soviet government, and while it may be argued that a majority of the people are not happy, many authorities contend that they are at least better satisfied than they were under the tsars.

It is the third condition which is the real point at issue. Is the Soviet government able and willing to perform its international obligations? Being in absolute control it is doubtless able, but the official attitude of this country is that it has not shown itself willing to do so. Our government contends that the Soviets will not take their place in the family of nations and respect and uphold the rights of their neighbors. This, it is held, is apparent in at least three respects:

1. The Soviet government has failed to respect and protect the rights and property of foreigners as required by international law.

Prior to the Russian Revolution of 1917, Americans owned considerable property in Russia, estimates of the value of which vary from sixty to three hundred million dollars. After they came into power the Communists confiscated all this property and have never made payment for it. This, we hold, is a branch of international law and restitution must be made before recognition can be granted.

2. Before the Communists seized power our government loaned money to two governments of Russia, the Tsarist régime, and the provisional government of Kerensky which lasted from March to November, 1917. To the former we loaned approximately \$86,000,000 and to the latter some \$187,000,000. Together with interest these now total \$317,953,006.37. This debt, as well as those to other governments, the Soviets repudiated early in 1918. Our government takes the attitude that they must be recognized and that provision for payment must be made before it can establish diplomatic relations with the Soviet government.

PROPAGANDA

3. The last grievance is considered by far the most important. It is the issue of Communist propaganda. The American government maintains that the Communists are not fulfilling their international obligations, when admittedly they seek to overthrow the existing governments of other nations and to impose a system of Communism upon the entire world. The Communist Party at Moscow, which controls the Soviet government, has openly declared this to be its aim. It hopes that some day there will be a world revolution at which time all peoples will be converted to Communism. They work and wait for this time, and have a special organization, the Communist or Third Internationale,

which constantly spreads as much propaganda as possible. The government of this country believes that it should not recognize any foreign power which seeks to undermine American institutions. It is contended that the Russians have a perfect right to adhere to any system they wish, but they must not attempt to force such a system on other peoples.

Such, briefly, is the case against Soviet recognition. It is the position taken by our government and it is supported by very many people. Such organizations as the American Federation of Labor, the National Civic Federation, the Roman Catholic Church and the Daughters of the American Revolution, are vigorously opposed to recognition. But despite this militant opposition, there are many Americans who are strongly in favor of it.

FOR RECOGNITION

They do not spend much time arguing in detail about international obligations, particularly with regard to the matter of

Notwithstanding the absence of "normal relations" our trade with the Soviet government has shown great increase in recent years. Before the war we exported an average of \$24,000,000 worth of goods each year to Russia. In 1930 the figure totaled approximately \$111,000,000. Last year the Soviet government ranked sixth among our foreign customers. Our exports to Russia were only 7 per cent less in 1931 than in 1930, whereas our total export trade showed a decline of 37 per cent during the same period.

PRESENT DIFFICULTIES

It is thus apparent that Russia is a market which American industry could cultivate with profit. For this reason exporters are generally very much in favor of recognition and complain about the difficulties of the present relationship between the two countries. With strained relations, and without consular officers to facilitate the exchange of goods, it is not easy to sell to Russia. Moreover, the So-

sia. Her exports to that country have doubled within the past year.

OTHER ARGUMENTS

It is thus apparent that there is a sharp difference of opinion over the question of Soviet trade. Those who urge recognition insist that we would get the trade because of the high quality of our products. We have what Russia needs, they argue; why not make it as easy as possible for her to obtain it?

Just as they disregard the problem of repudiated debts and confiscated property, advocates of recognition are inclined to pass over the question of Communist propaganda. It is contended that propaganda can be carried on as easily without recognition as with recognition, and that it makes little difference which policy we adhere to. Furthermore, it is said, in these years of great depression, when discontent is so widespread and the conditions for Communist revolts are so propitious in all

parts of the world, that system is nevertheless making little or no progress. Many believe that we have nothing to fear from Communist propaganda.

Finally, the argument is advanced that for the sake of world tranquility we should recognize Russia. The charge is being made that Japan is thinking of starting a war with the Soviets largely because she believes that such action would have our tacit approval, inasmuch as our relations with Russia are not on a friendly basis. And the Soviets have declared themselves willing to negotiate on the matter of debts provided their government be recognized first. In addition they demand the assurance of credits and a recognition of their counter-claims against other governments.

These claims are for Allied intervention in Russia in 1919. The Soviets insist that if they are to pay the debts of other Russian governments they must have damages for the foreign invasion made upon their soil.

PULITZER PRIZES

An important annual literary event is the awarding of the Pulitzer Prizes for outstanding achievements in letters and journalism. These prizes are awarded in accordance with the will of Joseph Pulitzer, a great American editor who died in 1911. The awards this year are as follows:

The fiction prize went to Mrs. Pearl S. Buck, for her book, "The Good Earth." The prize winning play of the year is "Of Thee I Sing" by George S. Kaufman and Morrie Ryskind, with music by Ira Gershwin. The history award went to General John J. Pershing for his book, "My Experiences in the World War." The judges declared Henry F. Pringle's biography of Theodore Roosevelt the best biography of the year; and "The Flowering Stone," by George Dillon, was given the place as the best volume of verse.

The best examples of newspaper correspondence were declared to be the dispatches which had been sent to the New York Times from Russia by Walter Duranty and an article by Charles G. Ross, of the St. Louis Post-Dispatch, entitled "The Country's Flight—What Can Be Done About It," discussing economic conditions here. The prize winning cartoon was by John T. McCutcheon, of the Chicago Tribune, and dealt with the bank failure problem. The Indianapolis News won a prize for conspicuous newspaper service by its campaign to eliminate waste in local government and reduce taxes.



THE LONE FISHERMAN
—Talbert in Washington News
THE PRO AND CON OF SOVIET RECOGNITION



THE BUBBLE
—Chasebel in Washington Post

debts. At present when many governments are not paying their debts, and when it seems likely that they will not be paid at all, it is held that this argument against Soviet recognition is without significance. Advocates of recognition base their position on what they consider to be far more practical reasons. They stoutly maintain that recognition would result in a great increase in our foreign trade with Russia. The Soviets are engaged in the mighty task of modernizing a backward nation according to a large-scale plan. They hope, after a term of years, to be economically as modern and progressive as the United States. They do not have the necessary facilities in their own country to bring this about. For many years they will have to import large quantities of manufactured goods.

TRADE

Much of what Russia needs, it is held, could easily be supplied by the United States. We produce, in fact we over-produce, practically everything required by Russia. But, the argument runs, the Soviet government withholds numerous orders from America because of the fact that we refuse to establish cordial diplomatic relations. The claim is made that the moment recognition is granted American industry will be favored with large orders for goods, and this country will receive material assistance in recovering from the effects of the depression. This contention is in a measure substantiated by statements made at various times by Soviet authorities. Maxim Litvinov, Soviet commissar of foreign affairs, has said that "satisfactory as may be our present economic relations with the United States, they would increase twofold, threefold, and even more, in case of the establishment of normal relations."

All Sections of Nation Affected By Huge Decline in Export Trade

Foreign Sales of Many Major Products Have Been Cut in Two During Depression. Basic Industries Depend Upon This Trade for Their Prosperity

One of the outstanding developments of the past two and one-half years has been a constant and rapid decline in the trade which the United States carries on with other nations. Whether this dropping off in our sales to foreigners is a cause or an effect of the depression is a matter of considerable discussion and controversy. We are not so much interested in this aspect of the problem as we are in the actual decline and the effects of it. Complete figures of American trade with the rest of the world for the year 1931 have only recently been made public. A careful study of these figures accounts, in part at least, for some of our present ills. It enables us to see why many of our workers are in distress, why many of our factories are idle and why our farmers cannot dispose of their crops. In fact, there is hardly a state in the union the inhabitants of which are not directly affected by our foreign trade.

DECLINE IN VALUE

As can be seen by the accompanying map, American products from all sections enter the world markets. Fruits of Florida, iron and steel products of Pennsylvania, automobiles from Michigan, corn and wheat from the middle western states, petroleum from Oklahoma and Texas, copper from the Rocky Mountain states and lumber and fruits from the Pacific coast—these are some of the major exports. And in going over the individual products, there are many which register abrupt declines since 1929. Last year, our total exports amounted to a little less than two and one half billion dollars whereas in 1930 they amounted to more than three and one half billions and in 1929 they reached the tremendous sum of more than five billions. Thus, there was a decline of 37 per cent last year in comparison with 1930 and a drop of more than 50 per cent in comparison with the last year of prosperity, 1929.

The actual decline in the volume of our exports was of course not so great. Prices were so much lower last year than they were during the two previous years that it became necessary to sell a larger quantity of goods in order to receive the same amount of money. There was a decline of only 20 per cent in the quantity of goods sold last year in comparison with 1930, and 35 per cent with 1929. Had the prices for which goods were sold in 1929 prevailed last year, our total ex-

ports would have amounted to almost three and one-half billion dollars instead of one billion dollars less as the actual figures show.

INDIVIDUAL PRODUCTS

The effect of the price decline in many of our major exports is readily apparent. Compared with the prices which were obtainable in 1929 the decline in the price of cotton last year was 54 per cent, wheat 50 per cent, copper 48 per cent, gasoline and naphtha 44 per cent, and so on down the line. This decline in price, together with the reduced volume of exports, has placed a serious burden upon many of our people. The effects upon the various sections of the country may better be appreciated by a comparison of the figures of the individual commodities as shown on the map. We include in the following table the products shown on the map, moving from east to west:

	1931	1930	1929
(Exports: in millions of dollars)			
Iron, steel and products (not including machinery)	180	356	538
Tobacco	119	158	165
Fruits and Nuts	109	110	137
Cotton	325	496	770
Automobiles	166	312	589
Packing House Products	117	186	224
Grains	106	191	286
Petroleum	270	494	561
Copper	54	105	183
Lumber	45	78	110

EFFECTS

The foregoing figures tend to demonstrate the rapid decline in the value of all products exported. And if a more detailed study were made, similar declines in many other products would be noted. For a number of years, the United States has exported about 10 per cent of its total production of goods. Last year exports accounted for a little less than that. While this is not a large portion of our total production, it is sufficient to have a decided effect upon the welfare of countless American families. When the exports of automobiles are more than cut in half within two years, it is needless to say that the many manufacturing concerns located around Detroit are obliged to curtail their production and employ fewer men. There is little wonder that the cotton growers of the South and the wheat producers of the West are in sore straits when their sales to European customers declined almost one-fourth during the past year.



© Institute for Research
A UNIQUE DEVELOPMENT IN LIBRARY SERVICE
Travelling rural libraries make it possible for people living in rural communities to obtain good books to read.

Library Work Offers Interesting Career to Those With Necessary Qualifications

Libraries have sometimes been called "universities of books." When we consider that their function is to provide books for all kinds of readers, whether they are seeking pleasure or information, we can see how well the title fits. The librarian has a real opportunity as an educator in the community, reaching more people than does the teacher in a schoolroom. The reading tastes of a whole community may be influenced by a library which is alive to the responsibility it has of providing good books and getting people to read them.

Libraries are constantly expanding their services in order to meet the needs of the people. The large public libraries have branches scattered over the city within easy reach; county libraries and "libraries on wheels" take books to the rural communities; state and university libraries lend books by mail; and all sorts of special libraries have been established to serve particular professions or industries. The number of libraries has grown tremendously in the last twenty years, but there is still room for expansion. It has been estimated that if all communities were adequately served, the number of librarians would need to be doubled.

There are many different types of library work which one might take up. In the large libraries there are special departments for the ordering of new books, cataloguing them, and lending them to the public. One might work in one of these divisions, or perhaps in the reference department, helping people find the material they need on special topics, or in the children's department, or in such divisions as those on art, music, and science. Special training or interest may lead to a position in a library connected with a business firm, or a government department, or one of the professions. There are also opportunities in school or university libraries.

Librarianship has many attractive features. One works in an atmosphere of culture, in contact with the finest minds of the past and the present. Those who have a love for books and an interest in people will find real satisfaction in the work and in the opportunity which it provides for performing a useful service to the community. Not all phases of

library work are equally interesting, of course. There is much routine work requiring careful attention to details in the ordering, cataloguing and lending of books. Accuracy and neatness are thus important qualities to develop. Other qualifications of the successful librarian include a pleasing personality and courteous manner in dealing with the public, keen intelligence, good judgment and resourcefulness.

There are eighteen library schools in the United States which are accredited by the American Library Association. Most of them are connected with colleges or universities and give one or two year courses. Nine require college graduation for admittance; the others require three years of college work. The graduates of these schools are in line for the best positions. It is possible, however, to take a six months free training course in some of the large libraries, working in the library as one studies. The libraries prefer college graduates, but some admit high school graduates after an examination.

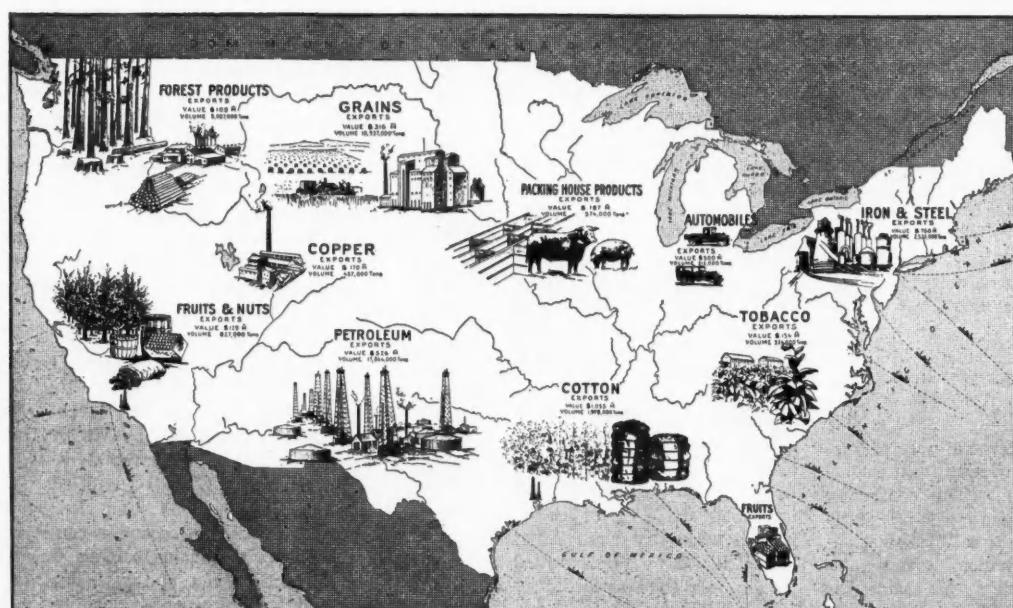
If you are planning to take up library work it would be well to choose your college courses with that in mind. History, literature (both American and European), and foreign languages should be studied rather thoroughly. Other subjects, such as education, sociology, statistics, economics, should be studied at least sufficiently to enable one to read intelligently along those lines. It is also advisable to take courses requiring a good deal of research, so that one may learn the best methods of research from printed sources.

Library salaries average about the same as for teachers, graduates of library schools beginning at \$1500 a year, those in executive positions receiving from \$2500 to \$5000, and head librarians in the largest libraries getting from \$4000 to as high as \$10,000.

POLITICS IN BERLIN

Since the recent presidential and state elections in Germany resulting in the ascending power of the Hitlerites, the political situation in that country has become somewhat complicated. Although the Reichstag, lower house of the German parliament, is not in session numerous efforts are being made to place Chancellor Brüning in an embarrassing position and thus force him from office. For a while last week, it appeared that the opponents of the Brüning government would be successful in accomplishing this end. But their hopes were soon frustrated and the iron chancellor remains head of the government.

Last week's difficulties arose out of dissension among the members of the German cabinet. The Minister of Commerce, Hermann Warbold, resigned his position because of his opposition to a number of the economic and social policies now pursued by the cabinet. This has placed upon Herr Brüning the responsibility of filling the post.



—Courtesy U. S. Shipping Board
WHERE OUR EXPORTS COME FROM

Each section of the nation, as shown by this map, is vitally interested in export trade. When there is a decline in foreign markets, American industry suffers. (Figures for 1928.)